

## SENATE BILL NO. 120

INTRODUCED BY KEENAN

BY REQUEST OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND EXTENDING THE UTILIZATION FEE ON HOSPITAL FACILITIES FOR INPATIENT BED DAYS; INCLUDING CRITICAL ACCESS FACILITIES IN THE DEFINITION OF "HOSPITAL"; AMENDING SECTIONS 15-66-101, 15-66-102, AND 15-66-201, MCA, AND SECTION 20, CHAPTER 390, LAWS OF 2003; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-66-101, MCA, is amended to read:

**"15-66-101. (Temporary) Definitions.** For purposes of this chapter, the following definitions apply:

(1) (a) "Hospital" means a facility licensed as a hospital pursuant to Title 50, chapter 5, and includes a critical access hospital.

(b) The term does not include Montana state hospital.

(2) (a) "Inpatient bed day" means a day of inpatient care provided to a patient in a hospital. A day begins at midnight and ends 24 hours later. A part of a day, including the day of admission, counts as a full day. The day of discharge or death is not counted as a day. If admission and discharge or death occur on the same day, the day is considered a day of admission and is counted as one inpatient bed day. Inpatient bed days include all inpatient hospital benefit days as defined for medicare reporting purposes in section 216 of the centers for medicaid and medicare services publication 10, the Hospital Manual. Inpatient bed days also include all nursery days during which a newborn infant receives care in a nursery.

(b) The term does not include observation days or days of care in a swing bed, as defined in 50-5-101.

(3) "Patient" means an individual obtaining skilled medical and nursing services in a hospital. The term includes newborn infants.

(4) "Report" means the report of inpatient bed days required in 15-66-201.

(5) "Utilization fee" or "fee" means the fee required to be paid for each inpatient bed day, as provided in 15-66-102. (Void on occurrence of contingency--sec. 18, Ch. 390, L. 2003. Terminates June 30, ~~2005~~

1 ~~2007--sec. 20, Ch. 390, L. 2003.)"~~

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3 **Section 2.** Section 15-66-102, MCA, is amended to read:

4 **"15-66-102. (Temporary) Utilization fee for inpatient bed days.** (1) Each hospital in the state shall  
5 pay to the department a utilization fee ~~in the amount of:~~

6 ~~(a) \$32.44 for each inpatient bed day between July 1, 2003, and December 31, 2003; and~~

7 ~~(b)(a) in the amount of \$19.43 for each inpatient bed day between January 1, 2004, and June 30, 2005;~~

8 ~~(b) in the amount of \$29.75 for each inpatient bed day between July 1, 2005, and December 31, 2005;~~

9 ~~(c) in the amount of \$27.70 for each inpatient bed day between January 1, 2006, and December 31,~~  
10 ~~2006; and~~

11 ~~(d) after January 1, 2007, in an amount determined by rule as provided in subsection (2).~~

12 ~~(2) Prior to each calendar year that will be subject to the fee, the department by rule shall determine~~  
13 ~~the amount of the fee, not to exceed \$50, based upon:~~

14 ~~(a) an estimate of the unpaid medicaid hospital costs, total inpatient days, and the federal medical~~  
15 ~~assistance percentages;~~

16 ~~(b) an estimate of any federal limit on federal financial participation for hospital services; and~~

17 ~~(c) an estimate of federal disproportionate share funds not matched by state general funds.~~

18 ~~(2)(3) (a) All proceeds from the collection of utilization fees, including penalties and interest, must be~~  
19 ~~deposited to the credit of the department of public health and human services in a state special revenue fund~~  
20 ~~account as provided in 53-6-149.~~

21 ~~(b) A hospital may not place a fee created in this chapter on a patient's bill. (Void on occurrence of~~  
22 ~~contingency--sec. 18, Ch. 390, L. 2003. Terminates June 30, 2005 2007--sec. 20, Ch. 390, L. 2003.)"~~

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24 **Section 3.** Section 15-66-201, MCA, is amended to read:

25 **"15-66-201. (Temporary) Reporting and collection of fee.** (1) ~~(a)~~ On or before January 31, ~~2004~~  
26 ~~2006~~, a hospital shall file with the department an annual report of the number of inpatient bed days in the  
27 hospital during each of the 6-month period periods beginning January 1, 2005, and ending June 30, 2005, and  
28 beginning July 1, 2005, and ending December 31, 2005. The report must be in the form prescribed  
29 by the department. The report must be accompanied by a payment in an amount equal to the appropriate fee  
30 required to be paid under 15-66-102~~(1)(a)~~.

~~(b) On or before January 31, 2004, the department of public health and human services shall provide the department with a list of hospitals licensed and operating in the state during the 6-month period beginning July 1, 2003, and ending December 31, 2003.~~

(2) (a) Except as provided in subsection (1), on or before January 31 of each year, a hospital shall file with the department an annual report of the number of inpatient bed days during the preceding year beginning January 1 and ending December 31. The report must be in the form prescribed by the department. The report must be accompanied by a payment in an amount equal to the fee required to be paid under 15-66-102~~(1)(b)~~.

~~(b) Except as provided in subsection (1), on~~ On or before January 31 of each year, the department of public health and human services shall provide the department with a list of hospitals licensed and operating in the state during the preceding year beginning January 1 and ending December 31. (Void on occurrence of contingency--sec. 18, Ch. 390, L. 2003. Terminates June 30, ~~2005~~ 2007--sec. 20, Ch. 390, L. 2003.)"

**Section 4.** Section 20, Chapter 390, Laws of 2003, is amended to read:

**"Section 20. Termination.** [This act] terminates June 30, ~~2005~~ 2007."

NEW SECTION. **SECTION 5. CESSATION ON COLLECTION AND EXPENDITURE.** THE COLLECTION OF THE UTILIZATION FEE UNDER 15-66-102 AND 15-66-201 AND RELATED EXPENDITURES OF THE REVENUE AUTHORIZED IN HOUSE BILL NO. 2 MUST CEASE IF A COURT ISSUES A FINAL ORDER THAT THE STATE EXPENDITURE LIMIT CONTAINED IN 17-8-106 HAS BEEN EXCEEDED. IF EXPENDITURES OF THE REVENUE AUTHORIZED IN HOUSE BILL NO. 2 CEASE, ANY COLLECTED BUT UNEXPENDED UTILIZATION FEES MUST BE RETURNED TO THE HOSPITAL.

NEW SECTION. **Section 6. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 7. Termination.** [This act] terminates June 30, 2007.

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